

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

Claims 1-40. (Canceled)

41. (Currently Amended) A method for embedding a watermark in an image, wherein the watermark is ~~visible to the human eye when the image containing the watermark is displayed~~ perceptible and includes binary message data, comprising the steps of:

- (a) determining a film grain noise characteristic $[[,]]$;
- (b) producing a watermark signal that includes the film grain noise characteristic $[[, \text{ and}]]$; and
- (c) combining the watermark signal with the image to produce a watermarked image that contains a ~~humanly visible~~ perceptible, but not objectionable watermark by having the watermark include a characteristic that is substantially consistent with the film grain noise characteristic.

42. (Previously Presented) The method of claim 41, wherein the step of determining the film grain noise characteristic comprises defining a standard deviation.

43. (Previously Presented) The method of claim 41, wherein the step of determining the film grain noise characteristic comprises defining Fourier magnitude data.

44. (Currently Amended) The method of claim 42, wherein the step of ~~determining the standard deviation of the~~ producing a watermark signal comprises ~~matching the film grain noise characteristic~~ scaling the watermark signal to correspond to the standard deviation as a function of image signal level.

45. (Currently Amended) The method of claim 43 ~~further comprising the step of defining a~~, wherein the step of producing a watermark

signal comprises shaping the Fourier spectrum of the watermark signal ~~that is~~
~~shaped to resemble [[a]] the Fourier spectrum of the film grain noise characteristic~~
magnitude data.

Claim 46. (Canceled)

Claim 47. (Canceled)

Claim 48. (Canceled)

49. (Previously Presented) The method of claim 41 further
comprising the step of removing an existing noise characteristic prior to
combining the watermark signal having the film grain noise characteristic.

50. (Currently Amended) The method of claim 41 further
comprises the step of providing the watermarked image as a single frame in a
movie sequence.

51. (Previously Presented) The method of claim 50 further
comprising the step of providing ownership and tracing information useful in
combating piracy in the watermark.
